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FAR EASTERN AFFAIRS

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FROM TAIPEI, Formosa

570 ASSISTANT SECRETARY

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DESP. Department of State

REF ne : Embtels 931, Mar. 6; 947, Mar. 10; 982, Mar. 19; Embdes. 512, Mar 23.

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SUBJECT: Resignation of Governor K. C. Wu

Now that the resignation of Governor K. C. Wu is an accomplished fact, his successor O. K. YUI having taken office today, certain details may be made a matter of record even though there would appear to be no reason as yet to revise the general analysis presented in the Embassy's telegram 982 of March 19, 1953.

While Wu is highly regarded by most Americans in Formosa, it seemed undesirable that overt official pressure should be exerted by the United States Government in this case. It was a highly complex matter at best, and in retrospect it seems probable that nothing the United States could have done would have kept K. C. Wu in office as Governor. As matters stand, he has been allowed to resign more or less gracefully, and has been succeeded by a man who is considered equally competent if somewhat less dynamic. K. C. Wu remains available to take up an important post again in the future.

While formal American intervention was avoided, key officials of the Chinese Government were left in no doubt but that the fate of K.C. Wu and the selection of a possible successor were matters of genuine interest to the United States.

Before Wu started his one month's sick leave in early March I personally expressed to President Chiang my concern over the Governor's health and suggested that a trip to the United States would be good for him and useful to Free China. I followed this with a personal letter to Wu, copy of which is attached, intended both for himself and for any other use he might desire.

When it became apparent that Wu would insist upon the acceptance of his resignation, I discussed his case in detail with the Foreign Minister (April 6), the Secretary General of the President's Office (April 7) and the Prime Minister (April 9).

Meanwhile a rather alarming report had reached me that Wu was in fear of his life. Without disclosing my source, I took the precaution of conveying this information to the Foreign Minister and to Mme. Chiang (April 8). It was undesirable that this story, whether

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or not Wu's apprehensions were justified, should have wide circulation. By informing these two individuals, however, I could be certain that the report would be passed on discreetly to a few others and the possibility of any attempt on Wu's life lessened accordingly.

I also obtained an informal reaction to the possibility of my visiting Wu at Sun Moon Lake. The result indicated that this might do more harm than good, and I was much relieved when Wu and his wife returned safely to Taipei on April 12. I called on him two days later; my memorandum of conversation is attached.

On April 15 I called on President Chiang to discuss various matters and told him that I had seen K. C. Wu on the previous day. I remarked that his health seemed better and that he had expressed a desire to visit the United States. I reminded the President of my earlier recommendation in this sense and expressed the hope that Wu would now be able to go. President Chiang indicated that he thought it a good idea; he said Wu was a good "diplomat". In return I praised Wu's qualities and added that in addition to being simply a good diplomat he would also be a good "salesman" for Free China in the best sense of the word. The President indicated agreement.

In conclusion President Chiang remarked that he expected relations between the National and Provincial Governments to improve now that O.K. Yui was assuming the office of Governor.

* * * * *

No adequate basis seems to exist at present for evaluating with precision either K. C. Wu's state of mind or that of President Chiang toward Wu. The latter has been and probably still is suffering from certain bodily ills, but his mental and moral difficulties undoubtedly are more important. Obviously Wu is very tired, physically and mentally, after three years of overwork as Governor. (He says that he has not had a real vacation in 15 years.) He is accustomed to speaking freely to almost everyone, but in the past his presentation has usually been rather well balanced. He admitted and criticized the defects of the Government on Formosa, but at the same time presented its gains and prospects in optimistic fashion. More recently, however, he has taken various and sundry American visitors and correspondents into his confidence by telling them stories which at times suggested that he might be suffering from an incipient persecution complex. The latter term may be too strong, however, and a better explanation would be found in his obvious fatigue and an understandable degree of frustration.

Without detracting in any way from K. C. Wu's great ability and high character, it should be remembered that he is "too Westernized" to/

to gain the unqualified popular support of most Chinese. Paradoxically, he is also regarded by many as too dictatorial in his methods. A change in the governorship and a change of scene for K. C. Wu at this time may well prove best for all concerned. Whether President Chiang's reference to him as a good diplomat tends to confirm the oft repeated report that he will be made Ambassador to the United States remains to be seen.

K. L. Rankin

Enclosures: *att.*

- ✓ 1. Memorandum of Conversation, April 14, 1953
- ✓ 2. Letter of March 6, 1953 to Governor Wu.

MEMORANDUM OF CONVERSATION

Taipei, April 14, 1953

Participants: Former Governor of Taiwan, K. C. WU
Ambassador K. L. Rankin

Learning that K. C. Wu had returned to Taipei from Sun Moon Lake on April 12, I asked to see him and did so this morning at his residence. We talked for forty minutes, during which we were interrupted by an announcement that the new Governor, O. K. YUI, had also come to see him. Wu asked that Yui wait so that he could complete the account he was giving me.

At the outset I remarked to Wu that I was glad to see him back and that he was looking much better than when he left Taipei for his vacation over a month earlier. He said that he was feeling better and that, as always, he was sleeping well except for being wakened occasionally in the night by his asthmatic trouble.

Wu began his story by saying that he seemed to have more friends among foreigners than among his own people. At present, he said, his life was actually in danger. He then gave me a rapid survey of his experiences as Governor of Taiwan during the past three years. Until the fall of 1950 he had been given virtually a free hand in running the island, including the financial field. Then "they" began moving in on him. The first part of the local election held during the winter of 1950-1951 had been well conducted. Then police interference started and Wu had taken a strong stand with President Chiang. As commander ex-officio of the Peace Preservation Corps he had refused to have orders carried out (Wu did not say who had issued them) which would have involved the use of the police in influencing the elections.

After mentioning certain other instances of undemocratic practices in the past, (all of these have been reported by the Embassy), Wu said that last summer he finally made up his mind to give up the governorship. The restrictions which had gradually been placed upon his authority, the fact that General P'ENG Meng-chi operated independently of him although ostensibly his deputy in command of the Peace Preservation Corps, his (Wu's) lack of any authority in the KMT organization despite his position on the Standing Committee, and what he considered a general movement in the direction of totalitarianism, had made him determined to resign. Last December, therefore, he had gone to President Chiang

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and told him that since the general state of Formosa had so much improved he wished to be relieved of his responsibilities as governor. The President asked him to reconsider.

At this point Wu defined his idea of democracy as involving (1) individual freedom for the present generation and (2) the possibility of peaceful change of government for the benefit of future generations "by ballots not bullets". He then remarked as an aside that the difficulties over recent sugar deals with Japan and various financial problems had in no way influenced him in his decision to resign.

Governor Wu had gone on a month's sick leave to Sun Moon Lake on or about March 9 with the firm intention of not returning to the governorship. Although he thought that some of his friends had been warned not to see him at the lake, he was visited by emissaries urging him to return and reassume his duties. This pressure finally reached a point, he said, where certain of his relatives had been told that they must persuade him or "take the consequences". Wu remarked that such actions only strengthened his determination. During his brief return to Taipei to see Mme. Chiang, who had come back from the United States during his stay at the lake, Wu made no attempt to see the President and the latter did not summon him. (Comment: This appears to have been the occasion for President Chiang's rhetorical question, "Must I get down on my knees to him?") Wu said that he had not told Mme. Chiang the whole story as he was telling it to me.

Wu then explained what he had meant by saying that his life was in danger, that it was "a matter of life or death". In driving from Taipei to Sun Moon Lake with Mrs. Wu the chauffeur had remarked that the steering mechanism of the car seemed to be loose. It was examined enroute, in Taichung, before starting up the mountain road to the lake, and two nuts were found to be missing. A serious accident might have occurred on the rather steep and winding road to Sun Moon Lake if this had not been discovered. The car was Mrs. Wu's Oldsmobile, but their regular chauffeur had not reported for duty that morning and another man was driving. The circumstance of the missing chauffeur and the fact that two nuts apparently had been removed served to convince Wu that foul play had been intended. (Comment: This incident appears to have occurred on or about April 6, when he returned to Sun Moon Lake after coming to Taipei for about four days to see Mme. Chiang. A presumably reliable report originating prior to the car incident had reached the Embassy that Wu feared for his life. It is possible that this state of mind influenced his conclusion that the car had been tampered with.)

Wu overstayed his leave at the lake, thereby forcing the acceptance of his resignation and the appointment of a successor to the governorship. However, he continued to hold his office as Minister

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without portfolio and his position on the KMT Standing Committee. He expressed his intention of attending cabinet and committee meetings accordingly. As to his desire for the future, Wu said that he would like to go to the United States to accept the honorary degree which his alma mater, Grinnell, had offered him. However, he had just been informed by a high but unnamed official that he should not apply for a passport. I inquired whether it would be helpful if I were to repeat my recommendation of several weeks ago to President Chiang that Wu be sent on a trip to the United States. He asked that I do so, adding the assurance that he would not talk indiscreetly about the affairs of Free China while in the United States.

Upon his return to Taipei on April 12, Wu said that he had written very polite letters to the President and Mme. Chiang, apologizing for his stubbornness, etc.

K. L. Rankin

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Taipei, Taiwan
March 6, 1953

PERSONAL

Dear K. C.:

I was deeply touched by your letter of February 26 regarding my new appointment.

Your remarks about my efforts here during the past two and a half years are justified in that I have endeavored above all to be honest and sympathetic. The practical accomplishments of this period, however, are due chiefly to devoted and highly competent Chinese, like yourself, without whom our aid programs would be useless.

I am very much aware of the heavy burden you have carried during the past three years as Governor of Taiwan. Heading up the greater part of all civil government functions on this island is a most exacting task, and you are largely responsible for the substantial improvements in the quality of government which has been so widely recognized. In addition to all of this, you have filled a key position in the implementation of our joint economic program. I have particularly admired your ability and diplomatic skill in presiding over the Economic Stabilization Board, which has become a most effective instrument largely as a result of your chairmanship.

In view of the background just outlined, and no less because of my high personal regard, it is most disturbing to learn that your health has been undermined. I hope that you will take whatever rest and treatment may be necessary to restore your health completely, but I also hope that this will not require too long a period of time. We simply cannot spare K.C. indefinitely!

Kindest personal regards.

Sincerely yours,

His Excellency
K. C. Wu,
Governor of Taiwan,
Taipei

K. L. Rankin

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